



Arlene Juracek, Director  
Illinois Power Agency (IPA)  
Bilandic Building, Suite N-506  
160 N. LaSalle St.  
Chicago, IL

September 14, 2012

Dear Ms. Juracek,

Sunrun appreciates the opportunity to comment on the IPA Distributed Generation (DG) Program as outlined in the 2013 Procurement Plan. Sunrun agrees with the written comments submitted by ELPC on the disappointing consequences of dramatic load forecast reduction for future renewable energy credit (REC) procurements. Sunrun also agrees that the IPA's decision to propose a DG Program in the 2013 Plan is prudent, and Sunrun supports ELPC's written comments on this program.

With more than 25,000 customers across 10 states, Sunrun is the country's leading residential solar power service provider. As such, these written comments focus on the under 25kW component of the DG program.

In general, Sunrun is supportive of the two-tiered structure and of several program design characteristics in the IPA plan. There are, however, a few aspects of the program that Sunrun believes warrant additional attention. Specifically:

1. The role of aggregators in a standard offer program. All standard offer REC programs for residential systems that Sunrun is aware of operate on a first-come, first-serve basis at the project level. This provides a basic level of fairness to the program; a homeowner's ability to qualify for the standard offer is dependent on when they decide to adopt solar relative to others. Typically, procurement programs involve aggregators to gain some price efficiency through aggregation. Given that there is inherently no potential for scale to drive price efficiency in a standard offer program, it is unclear how aggregator requirements benefit the DG program. Sunrun submits that the program administrator will, in essence, serve an aggregating capacity by handling all of the administration for all standard offer contracts. The California Center for Sustainable Energy is an example of a program administrator for standard offer programs for San Diego Gas & Electric customers in California. Sunrun suggests that the IPA eliminate the requirement that a homeowner identify a party with 1MW of cumulative capacity before the homeowner can reserve a standard offer contract. Allowing homeowners to directly apply to the program administrator for a standard offer contract will simplify the DG procurement program, follow what the established process that other programs have successfully adopted, and minimize overall program transaction costs.
2. Transparency. Sunrun has previously filed comments on the fundamental role that program transparency plays in attracting market participants. Market participation



and competition drive scale and cost reductions, which ultimately improve the cost-effectiveness of the program itself. Sunrun feels that increased transparency is necessary in a couple of aspects, most notably for the benchmarks that determine the overall REC procurement objective in the standard offer program. In addition, market participants should have visibility into the remaining availability of standard offer contracts. Without this visibility, confusion will ensue and ultimately increase program administration costs.

3. Standard offer counter-party. In our reading of the IPA's DG plan, it is not clear what parties will sign the standard offer REC contract. Sunrun suggests that clarifying that utilities and either systems owners or a designated agent of a system owner will be the two parties on a standard offer contract. This is consistent with other standard REC purchase programs across the country.
4. The need for utility-grade meters and REC registration. Based on our experience across 10 states, Sunrun believes that utility-grade meters and REC registration in a tracking system, such as PJM-GATS are not only necessary but also established standard requirements for REC purchase programs in states with similar electricity market structures. These program features enable accurate counting and tracking of RECs, both fundamental requirements of a functioning market. The majority of the programs referenced in Appendix V, including the largest programs from a scale perspective, require either utility-grade meters, REC registration, or both. Utility grade meters have been a standard for third-party owned residential systems for several years. In California today, approximately three of out of every four residential systems installed in the state has a utility-grade meter.

Thank you for the opportunity to provide comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sarah Bertram". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sarah Bertram  
Sr. Manager, Policy & New Markets